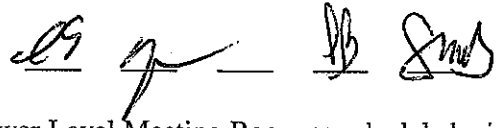


**BOARD OF SELECTMEN  
MEETING MINUTES  
8/28/12**



The Board of Selectmen met at the Ritter Administration Building, Lower Level Meeting Room as scheduled with David Matthews, Steven M. deBettencourt, Paula Bertram, and Town Manager Kerry Speidel present. Carl "Ernie" Sund and Tom Alonzo were absent.

Regular Meeting opened at 7:01 PM

**7:00PM PUBLIC COMMENT**

Jared Otte, Attorney from Bowditch & Dewey representing Mass PV 1, LLC, requested that MASS PV 1 be allowed to enter into a PILOT /Net Metering Agreement with the town similar to EPG Solar's request. He asked for copies of any documents that were being distributed this evening concerning a PILOT/Net Metering agreement.

Mr. Matthews stated that the BOS would be more than happy to review any proposal that is brought forward by MASS PV 1. He added that once they have their permits in place through the Planning Board they would open up discussion with MASS PV 1 concerning the PILOT.

Mr. Otte also requested that the Warrant Article for the upcoming STM relating to this issue be revised so as not to be exclusive to EPG Solar.

Dave Prokowiew questioned if there would be an opportunity for public discussion after EPG is discussed this evening. Mr. Matthews replied yes, depending on how discussions go with the Assessor and that their goal tonight is to get information concerning the PILOT from the Assessor. He stated that they will not be making any decisions this evening on what the negotiated amounts will be.

Ms. Speidel reminded the Board and interested parties that were present at this meeting, that the warrant is open now and will close on 9/4/12 at 5:00 p.m.. Printing will need to be completed and delivery to the Post Office will need to be done by 9/7/12. If decisions are not made at this meeting or the next concerning the PILOT then the "hard numbers" will not be included on the warrant.

Tom Weisman, 11 Rangely Road, said that he is having a septic system problem and requested that an Article be included on the warrant for STM which would grant a permanent easement to 11 Rangely Road allowing an area of 10' x 80' of the town's right of way along the Rangeley Road border to be covered by fill sloped from 2' down to 0'.

Mr. Matthews stated that they will be able to accomplish that request.

**ANNOUNCEMENTS**

**APPOINTMENTS**

**CURRENT BUSINESS**

**1. EPG Solar, Review of Power Purchase Agreement & PILOT Agreement** -- Harald Scheid, Regional Assessor, reviewed with the Board his findings regarding the comparison of Solar Taxation Alternatives for a 2MW project. (See attached). Mr. Scheid stated that there are two alternatives for taxation, one being solar tax under full and fair cash value, the other under a negotiated PILOT agreement. He estimated that the Twin City parcel land valuation is at approximately \$250,000 which yields approximately \$4,300 per year in real estate tax, which is based on 43 acres which are leased. Mr. Scheid feels that whatever amount the Board decides to negotiate with EPG Solar, other developers will need to be brought in under the same terms.

Discussion concerning how the property is zoned ensued and Mr. Scheid stated that in the Assessor's records it is currently classified as residential land. He went on to say that the Department of Revenue (DOR) has not weighed in yet

on classification of these projects but he believes that they will be looking at an industrial tax classification because of the generation of electricity. The Full and Fair Cash Value of the personal property associated with this project, on a 20 year average, would amount to approximately \$50K-\$55K per MW, per year, which includes the value of the Solar Renewable Energy Certificate (SREC Bill). Other communities that want to promote solar development form PILOT Committees to negotiate with the solar companies, which report to their BOS. Communities that come in at full taxation typically do not have their solar projects go forward.

Ms. Bertram stated that she remains concerned with the original number that was talked about in lieu of the information that Mr. Scheid had just presented. She's not sure what setting one PILOT agreement holds the town to in the future because if they are talking about a Net Metering project, she believes it is a component of the discussion. If a project came forward that was not a Net Metering project and there was no additional savings to the town then that is a factor in the discussion. Ms. Bertram stated that she thinks the BOS have a long way to go in negotiating this PILOT agreement and need to get closer before she will entertain it.

Ms. Speidel stated that she and Mr. Scheid had a discussion earlier concerning the last meeting which was held with EPG. The Assessor from the Town of Shrewsbury had gone through this same analogy and had come up with a tax per MW which was much closer to what EPG had presented which was approximately \$14K per MW. Although they have not spoken with the Assessor from Shrewsbury their thoughts are that Shrewsbury is just looking at the net operating income and assuming a tax based off of that. If you do this and take out all of the credits you come up with approximately \$11K per MW. This does not mean that other communities are going through traditional valuation methods and coming up with something significantly different than what Mr. Scheid has come up with, but likely they are just looking at the net operating income because the solar developer is selling the credits to get capital to build the project and the developer is only seeing the net operating income.

Informal discussion among the BOS, Mr. Scheid, and interested parties who were present this evening began. This included identifying other communities in Massachusetts that are involved with PILOT/Net Metering programs, how they work, and what the costs of assessing the land where these projects are located entails. The EPG Solar project will be operating on a Special Permit in a residential area. The Assessors office will classify it as industrial use for tax purposes only and any zoning changes to the property will need the approval of Town Meeting. Mr. Scheid established the fact that any agreements that the majority of the other communities have negotiated have been Net Metering projects and thought that only one other town had negotiated a PILOT for a Non-Net Metering project.

John Londa, Director of Facilities, spoke to report about the cost of distribution over time. Ten years ago the cost of distribution, transmission, and transition was less than 7 cents per KWH and currently its just less than 12 cents per KWH which saw a 6.2% annual increase in the last ten years.

Mr. Prokowiew requested projections to see if the town "inks" PILOTS with one or more of these companies, what the total power portfolio would look like for the municipality. Mr. Matthews replied that its part of some of our projection and we need to add up what our total usage will be.

Mr. Londa added that we currently use about 2M KWH per year which includes schools and municipal use. This breaks down to about a 50/50 usage by both entities.

Ms. Bertram asked Mr. Londa for an update on the landfill solar project. Mr. Londa responded that Borrego Solar was not happy with the initial cost estimates for reduced size systems from Unitil & had them come back to see whether or not they could reduce some of the requirements for interconnection costs. Unitil is currently doing a study to see if this would be possible.

Mr. Prokowiew questioned what would happen if EPG decided to go elsewhere after they get the PILOT agreement, would there be an exit strategy for the Town. Mr. Matthews replied that there is always an exit strategy and the agreement will be written to make sure the Net Metering comes with it.

Ms. Speidel stated that the BOS will be meeting next Tuesday and that all warrant information will be finalized then. The warrant will now include 4 Articles which will include 2 PILOTS, 1 Power Purchase Agreements, and an Easement. There was discussion on Mass PV's inclusion of a power purchase agreement and it was reiterated that the warrant will remain open until Tuesday if they wish to include it.

## 2. Minutes/Warrants/Action File Issues

Minutes: None

<u>Warrants:</u>	8/21/12	W 11 13	\$565,916.70
	8/29/12	W 12 13	\$431,507.50
	Payroll		\$548,318.10
	Water Department Commitment		

Action File Issues: None

**3. Committee Reports –** Ms. Bertram informed the board that she will not be attending the upcoming MPO emergency meeting where the Oxbow Wildlife Sanctuary grant will be discussed.

Ms. Bertram had also attended the Lunenburg Planning Board meeting where they discussed the Chase Rd solar project and the progress on the “Dippin Donuts” franchise which will be located at the old “Showroom Sammy’s” property. Also discussed at this meeting was that MRPC has been helping out the Planning Board staff in the absence of the Planning Board Director and the need for “cross training” within this department. There is a Master Planning Workshop scheduled for September 17<sup>th</sup>.

Mr. Matthews reported that the School Building Committee met last week and the RFP’s have gone out for the OPM and so far 13 people have requested information. Interviews for the cut down will list will be on the 2<sup>nd</sup> and 4<sup>th</sup> of October.

**4. Department Reports –** None

**5. Town Manager Reports –** Ms. Speidel reported on the Summer St Design Project and said that they now have 100% of funding for the design between the appropriations that the three communities involved had made through the Transportation Bond Bill. The Transportation Bond Bill is a 5 year program but the Governor has to initiate the spending down of the bill before the money can be accessed. In the meantime Mobile Funding will be used to start the project.

Ms. Bertram stressed the importance of staying on top of what percentage we are at to be included in next years TIP. She suggested that the MJTC Representative, Bob Saiia needs to remain vocal about this project.

## OLD BUSINESS -

### APPOINTMENTS/RE-APPOINTMENTS/RESIGNATIONS

**1. Appoint Nancy Forest as employee representative to Personnel Committee--** Ms. Speidel explained to the Board that the Personnel Committee is severely shorthanded and she requested that Nancy Forest be appointed as employee representative to the Personnel Committee. Ms. Bertram moved to appoint Nancy Forest as employee representative to the Personnel Committee. Mr. deBettencourt seconded. On vote, motion carried, 3 in favor, 0 opposed.

Mr. Matthews spoke about the “Big Truck” night which was held at the DPW on 8/20/12. He thanked the DPW Dave McDonald, Joanna Billotta Simeoni, and Jay Simeoni for organizing this event and said that they all did a great job.

Ms. Bertram added to the thanks by saying it was a great event for the community and hopes it becomes an annual event.

Mr. deBettencourt suggested that the previous easement request submitted from Mary Ann & Tim Weisman be voted on tonight to be added to the warrant as an article at special town meeting to be held on 9/25/12. Mr. deBettencourt moved to include the Weisman’s easement request in the warrant for special town meeting. Ms. Bertram seconded. On vote, motion carried 3 in favor, 0 opposed.

The BOS will vote on the request made earlier by Mass PV for the warrant change for STM at the 9/4/12 BOS meeting.

Dave Prokowiew thanked the BOS for allowing the public to speak this evening and also thanked Ms. Speidel for taking time out of her vacation to attend this evenings meeting.

Mr. Matthews echoed Mr. Prokowiew’s sentiments.

**EXECUTIVE SESSION** – None

Being no further business Mr. deBettencourt motioned to adjourn the meeting. Ms. Bertram seconded. The board voted unanimously to adjourn regular session at 8:09PM.

**UPCOMING MEETING SCHEDULE**

*Respectfully submitted,  
Susan Doherty, Recording Secretary  
Board of Selectmen*